

United States Senate
Committee on Finance



Sen. Chuck Grassley • Iowa
Ranking Member

<http://finance.senate.gov>
Press_Office@finance-rep.senate.gov

Contact: Jill Kozeny, 202/224-1308
Jill Gerber, 202/224-6522

Statement of Senator Chuck Grassley: Senate Floor Debate
on Nomination of Timothy Geithner to be Treasury Secretary
Delivered Monday, Jan. 26, 2009

For at least as long as Chairman Baucus and myself have served as the leaders of the Finance Committee, and certainly during those times I was chairman, all individuals nominated by the President who were subject to the jurisdiction of the Finance Committee have been subject to a thorough and nonpartisan vetting process. In addition to filling out a detailed committee questionnaire, all nominees submit tax returns and the committee is provided with financial disclosures. The review of these documents has nothing to do with the nominee's political affiliation or policy goals. The Finance Committee's nomination process is there to ensure basic compliance with the law and to confirm that these individuals can be trusted with the incredible responsibilities that come with public service.

My vote on this nominee will be a vote of confidence in the Finance Committee's vetting process; it is a vote for the importance of character and integrity in those who serve; and specifically, it is a vote for treating presidential nominees, and all people, in a consistent manner.

This nominee is not the first nominee to run aground on the Finance Committee's vetting process. There are other individuals who, after lengthy discussions with Senator Baucus, me, and committee staff, decided to withdraw from consideration.

In these situations, the Finance Committee keeps details learned during the vetting process private. In cases where the nominee decides to go forward, such as that of this nominee, the committee makes details public in the interest of transparency and good government. I believe the public's business ought to be public. Sometimes when details are disclosed, the nominee is confirmed and sometimes the nominee is not confirmed. In these situations members have to judge the seriousness of the issues at hand, and the nominees have to judge how far they are willing to go. If the nominee decides to move ahead, the information will be released.

However, in the past, nominees who had tax issues as serious as this nominee's, and some who have had less serious issues, have not attained Senate confirmation. I feel it is improper to judge this nominee by a different standard. I realize that times are tough right now, but if anything, that should be an incentive for us to raise our standards and not lower them.

Finally, I believe we also need to treat all people in a consistent manner. The same Internal Revenue Code applies to everyone regardless of whether someone is a well-known Wall Streeter or a student earning minimum wage. Many people around the country who have not satisfied their tax obligations have been caught by the IRS, as this nominee was for tax years 2003 and 2004. Many people end up having their houses seized, bank accounts frozen, and other assets taken by the government to pay their tax debts. Some people even go to jail.

There are many people who settle their liabilities without going to jail or having assets seized, but can this system operate with integrity if all parts of it report to someone who was unable for a long period of time to meet his own tax obligations and only did so as a condition of his nomination?

Finally, I want to mention differences of perception of different people who have been found to have unsettled tax liabilities. During last year's presidential campaign, we read a lot about a man named Joe the Plumber who hailed from Ohio. When this man was found to have a tax lien for state taxes, some portrayed it as evidence that his opinions on national tax policy were irrelevant. However, this nominee's tax problems have been revealed to be much larger than Joe's, and this nominee's defenders still insist he is the only man for the job of Treasury secretary. I ask unanimous consent that an article discussing this inconsistency by Jonah Goldberg appearing in National Review Online be printed in the record.

I don't make this decision lightly, but, as I've said, I must uphold the Finance Committee's vetting process; I must vote for the importance of character and integrity in those who serve in government; and I must vote for treating presidential nominees, and all people, in a consistent manner. Therefore I must vote against this nominee, Mr. Geithner.